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CLASSIFICATION

CENTRAL INTELLIGENCE AGENCY INFORMATION REPORT REPORT NO.

COUNTRY Austria/USSR

10 November 1948 DATE DISTR.

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USIA Enterprises Placed under Direct Authority of Soviet High Command in Austria

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NO. OF ENCLS. (LISTED BELOW)

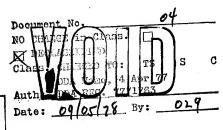
SUPPLEMENT TO REPORT NO.

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During the last week in October 1948, General Kurasov summoned USIA officials 1. to a Hotel Imperial conference and announced that all USIA entermises were removed from the control of the Soviet Foreign Ministry and rlaced under the direct authority of the Soviet high command in Austria Comment: Previous information indicated that USIA was not responsible to the military authority in Austria, but directly under the Soviet Central Administration for German Properties in Occupied Areas, which is subordinate to the Gosplan in Moscow.)

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- Kurasov ordered the dismissal of several Austrian officials of USIA, includ-2. ing Ernst Fellinger of the Light Industry Section.
- The reason for the change was presumably not stated by Kurasov. Source be-3. lieves it is the result of USIA efforts to evade financial regulations of the Soviet Military Bank. These were brought to light in the recent scandal involving USIA's large-scale sale of oi! to the Vienna municipality through an Austrian middleman without depositing the proceeds in the Covict Military Bank.



This document is hereby regraded to CONFIDENTIAL TE accordance with the letter of 10 October 10/3 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2003

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